



Division of
**Health Care
Finance & Administration**

Health Care
Innovation Initiative

Executive Summary

Tonsillectomy (TNSL) Episode

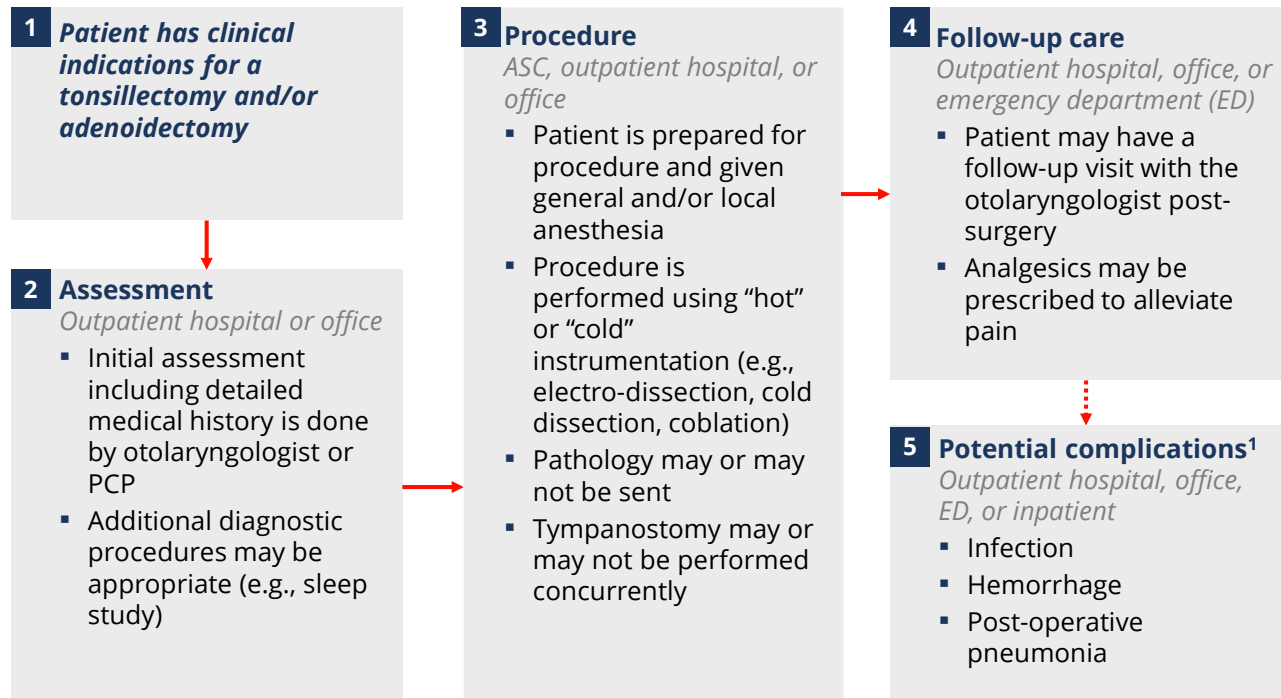
OVERVIEW OF A TONSILLECTOMY EPISODE

The tonsillectomy episode revolves around patients who receive a tonsillectomy and/or adenoidectomy. The trigger event is an inpatient admission, observation stay, or an emergency department, outpatient, or office visit with a tonsillectomy and/or adenoidectomy procedure. All related care – such as anesthesia, imaging and testing, evaluation and management, and medications – is included in the episode. The quarterback, also called the principal accountable provider or PAP, is the clinician or group performing the tonsillectomy and/or adenoidectomy. The tonsillectomy episode begins 30 days before the triggering procedure and ends 30 days after discharge.

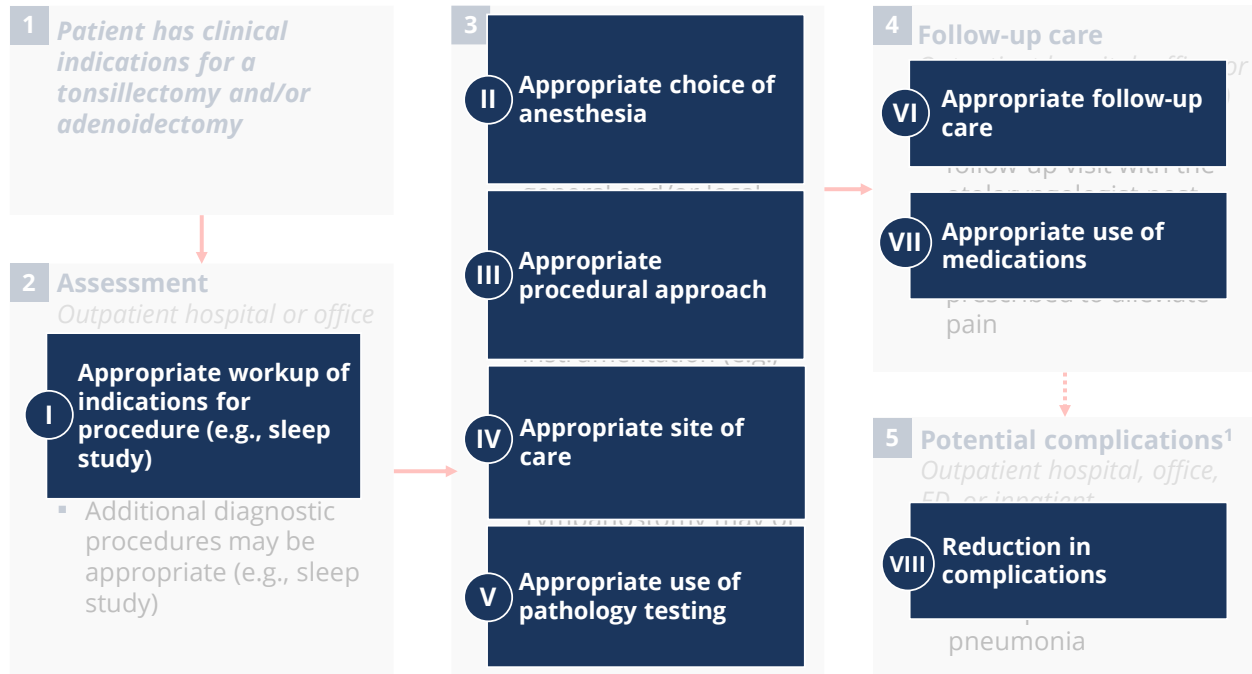
CAPTURING SOURCES OF VALUE

Providers have multiple opportunities during a tonsillectomy episode to improve the quality and cost of care. Example sources of value include providers' appropriate choice of anesthesia and site of care. Furthermore, providers can choose appropriate diagnostic testing and reduce unnecessary follow-up visits. Overall, the provider can bring about a reduction in complications.

Illustrative Patient Journey



Potential Sources of Value



ASSIGNING ACCOUNTABILITY

The quarterback of the episode is the specific health care provider deemed to have the greatest accountability for the quality and cost of care for the patient. To state it differently, the quarterback is the provider who has the greatest ability to influence all of the health care delivered in a given episode. For the tonsillectomy episode, the quarterback is the clinician or group performing the tonsillectomy and/or adenoidectomy. The contracting entity or tax identification number of the clinician or group performing the tonsillectomy and/or adenoidectomy will be used to identify the quarterback.

MAKING FAIR COMPARISONS

The episode model is designed to be fair to providers and incentivize best practices without penalizing providers who care for sicker patients. As such, important aspects of the model are:

- Inclusion of only the cost of services and medications that are related to the tonsillectomy and/or adenoidectomy in calculation of episode spend.
- Exclusion of episodes when clinical circumstances create the likelihood that the case will deviate substantially from the typical care path or when claims data is likely to be incomplete.
- Risk adjusting episode spend to account for the cost of more complicated patients.

The pre-trigger window of the tonsillectomy episode includes specific evaluation and management visits to the quarterback, and specific imaging and testing. During the trigger window, all services and specific medications are included. The post-trigger window includes specific care after discharge, specific anesthesia, specific evaluation and management visits, specific imaging and testing, specific medications, specific pathology, and specific surgical and medical procedures.

Some exclusions apply to any type of episode, i.e., are not specific to a tonsillectomy episode. For example, an episode would be excluded if more than one payer was involved in a single episode of care, if the patient was not continuously insured by the payer during the duration of the episode, or if the patient had a discharge status of 'left against medical advice'. Other examples of exclusion criteria specific to the tonsillectomy episode include a patient with a history of organ transplant or muscular dystrophy. These patients have significantly different clinical courses that the episode does not attempt to risk adjust. Furthermore, there may be some factors with a low prevalence or significance that would make accurate risk adjustment difficult and may be used to exclude patients completely instead of adjusting their costs.

For the purposes of determining a quarterback's cost of each episode of care, the actual reimbursement for the episode will be adjusted to reflect risk factors captured in recent claims data in order to be fair to providers caring for more complicated patients. Examples of patient factors likely to lead to the risk adjustment of tonsillectomy episodes include patients with cleft palate or

mucopolysaccharidosis. Over time, a payer may adjust risk factors based on new data.

MEASURING QUALITY

The episode reimbursement model is designed to reward providers who deliver cost effective care AND who meet certain quality thresholds. A quarterback must meet or exceed all established benchmarks for any quality metric tied to gain sharing in order to be eligible to receive monetary rewards from the episode model. Other quality metrics may be tracked and reported for quality improvement purposes but may not be tied directly to gain sharing.

The quality metric linked to gain sharing for the tonsillectomy episode is:

- **Dexamethasone administration rate:** Percentage of valid episodes with dexamethasone administered during the trigger window among episodes triggered in an outpatient setting (higher rate indicative of better performance)
- **Bleeding up to two days following the procedure:** Percentage of valid episodes with post-operative bleeding during the trigger window and up to two days afterward (lower rate indicative of better performance)

The quality metrics that will be tracked and reported to providers but that are not tied to gain sharing are:

- **Rate of indicated concurrent tympanostomy:** Percentage of valid episodes with tympanostomy concurrent with adenoidectomy for children with history of recurrent otitis media among patients who are four years of age and above (higher rate indicative of better performance)
- **Rate of absence of antibiotics:** Percentage of valid episodes with no prescriptions for antibiotics filled during the trigger window and up to three days afterward (higher rate indicative of better performance)
- **Post-operative encounter rate:** Percentage of valid episodes with post-operative encounter during the post-trigger window (lower rate indicative of better performance)

- **Bleeding rate between the 3rd and 14th day:** Percentage of valid episodes with post-operative bleeding between the 3rd day and the 14th day (inclusive) after the trigger window (lower rate indicative of better performance)

It is important to note that quality metrics are calculated by each payer on a per quarterback basis across all of a quarterback's episodes covered by that payer. Failure to meet all quality benchmarks tied to gain sharing will render a quarterback ineligible for gain sharing with that payer for the performance period under review.